

**CONTENTS**

<b>FUND'S INFORMATION .....</b>	<b>1</b>
<b>MISSION STATEMENT .....</b>	<b>2</b>
<b>REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY.....</b>	<b>3</b>
<b>CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES.....</b>	<b>6</b>
<b>CONDENSED INTERIM INCOME STATEMENT.....</b>	<b>7</b>
<b>CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>8</b>
<b>CONDENSED INTERIM DISTRIBUTION STATEMENT .....</b>	<b>9</b>
<b>CONDENSED INTERIM CASH FLOW STATEMENT .....</b>	<b>10</b>
<b>CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND...11</b>	
<b>NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS.....</b>	<b>12</b>

**FUND'S INFORMATION**

BMA Asset Management Company Limited  
801 Unitower. I.I. Chundrigar  
Road, Karachi-74000

**Board of Directors of the Management Company**

Mr. Waqar Hassan Siddique	Chairman
Mr. Muddassar Malik	Chief Executive
Mr. Abdullah Shahin	Director
Mr. Omer Syed	Director
Mr. Thomas James Speechley	Director
Mr. Tashfin I. Huq	Director
Mr. Zahid Qasim Noorani	Director
Mr. Muhammad Iqbal	Director

**Company Secretary & CFO of the Management Company**

Mr. Faisal Ali Khan

**Audit Committee of the Management Company**

Mr. Muhammad Iqbal	Chairman
Mr. Tashfin I. Huq	
Mr. Zahid Qasim Noorani	

**Trustee**

MCB Financial Services Limited  
3<sup>rd</sup> Floor Adamjee House I.I. Chundrigar Road Karachi

**Bankers**

Standard Chartered Bank Pakistan Limited  
KASB Bank Limited  
JS Bank Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
MCB Bank Limited  
Bank Alfalah Limited  
Silk Bank Limited

**Distributors**

Standard Chartered Bank Pakistan Limited  
BMA Financial Services Limited

**Auditors**

Ernst & Young Ford Rhodes Sidat Hyder & Co. Chartered Accountants  
Progressive Plaza, Beaumont Road, Karachi

**Legal Adviser**

KMS Law Associates  
207, Beaumont Plaza behind PIDC House, Karachi

**Registrar**

Technology Trade (Pvt.) Limited  
Dagia House, 241C, Block 2, PECHS Karachi

**Fund Stability Rating**

Rating under process

**Management Quality Rating**

Rating under process

### **MISSION STATEMENT**

***The BMA Chundrigar Road Savings Fund seeks to provide its investors attractive income with concern for preservation of capital by investing in all fixed income and money market instruments of low risk and short duration to generate attractive rates of return. The Fund will seek to maintain a rupee-weighted average maturity of the investment portfolio of not more than 365 days. The benchmark shall be average one month Kibor rate prevailing within the particular time period.***

### **VISION STATEMENT**

***BMA Asset Management seeks to establish itself as a leader within the asset management industry of Pakistan by following the principles of prudent investment practice and keeping our fiduciary responsibility towards our investors as the core belief to our investment philosophy.***

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of BMA Asset Management Company Limited, the Management Company to BMA Chundrigar Road Savings Fund (BCSF) is pleased to present its report and financial statements of the Fund for the period ended March 31, 2012.

### PROFILE

The launch announcement of the BMA Chundrigar Road Savings Fund (“BCSF”) was made on 14 August, 2007, Pakistan’s 60th year of independence and BCSF was formally launched on 23rd August. The BCSF seeks to provide its investors with an attractive rate of return by investing in all fixed income and money market instruments of low risk and short duration. The fund’s aim is to maintain a rupee-weighted average maturity for the investment portfolio of not more than 5 years. The benchmark for our return is one month.

### FUND’S FINANCIAL PERFORMANCE

During 3QFY12 (Jan12- Mar12) the Fund earned Rs. 6.44 mn from income on investments, bank balances and term deposits. Unrealized gain on investments equalled Rs. 6.16 mn. Reversal of impairment generated another Rs. 7.25 mn. Element of income from issue/redemption of units was Rs. -65.10 mn. Total income thus came to Rs. -45.09 mn.

Expenses for the period totalled Rs. 1.45 mn and consisted of Rs. 0.11 mn remuneration to the trustee of the fund, Rs. 0.04 mn fee to the SECP and Rs. 0.75 mn remuneration to the management company. As a result net income for the quarter was Rs. -46.54 mn.

### Financial highlights

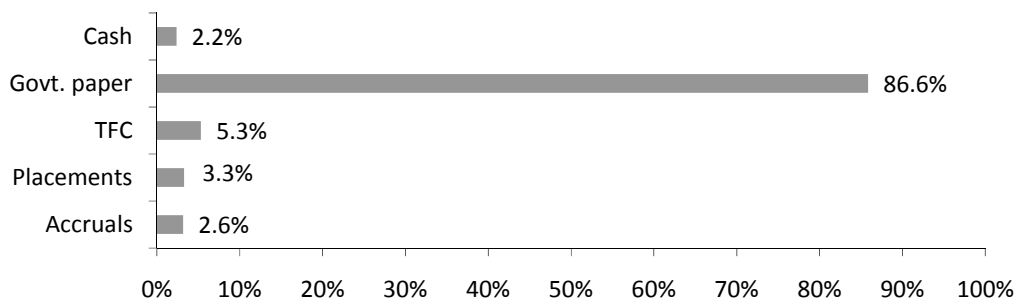
**March 31, 2012**

**Rupees**

Mark up/interest income	6,443,466
Unrealized gain/loss	6,162,214
Element of income	(65,101,946)
<b>Total Income</b>	<b>(45,089,612)</b>
Expenses	1,453,289
<b>Net Income</b>	<b>(46,542,901)</b>
Net Asset Value per unit (Rupees)	7.5343

As of 31 March the net assets of the Fund were Rs. 305.48 mn, of which 2.23% was held as cash, TFCs comprised 5.33% while exposure to T bills and placements was built up to 86.60% and 3.27% respectively. The weighted average time to maturity of the portfolio as of 31 March was 139 days.

Asset Allocation [31.03.12]



**RETURN DURING THE PERIOD FOR INVESTORS**

During the quarter ended 31 March the Fund had generated an annualized return of 33.02%.

**RECENT DEVELOPMENTS**

Following the restructuring of the fund in October 2011 the fund has seen significant improvements in returns, credit quality and liquidity profile. Since October 17<sup>th</sup> 2011 the fund has generated an absolute return of 24.80%. Moreover almost 95% of net assets are now rated AA and above. With a major allocation to T bills the ability of the fund to meet redemptions and remain flexible in an uncertain macroeconomic environment has improved tremendously. The fund expects to continue booking impairment reversals and unrealized gains in 4QFY12 which should help augment returns to very competitive levels.

**MACROECONOMIC OUTLOOK**

Inflation for March 12 clocked in at 10.8% compared to 11.0% in February 12 and was below market consensus. The main reason for this was lower than expected food inflation where price pressures eased because of improved supply. We had previously highlighted that FY12 CPI would come in at the lower end of the 11.0% - 12.0% inflation target and despite the increase in petroleum prices this forecast will most likely hold.

However a positive interest rate scenario where 9MFY12 CPI averages 1.2% below the discount rate of 12.0% does not bode well for monetary easing when it is accompanied by record SBP borrowing (Rs. 1.45 trillion on 23 March) and a current account deficit of USD 3.0bn during 8MFY12.

With debt payments amounting to USD 1bn during 4QFY12 and no progress on projected inflows from the 3G auction, CSF and Etisalat so far, FX reserves will continue to decline. The effect of an insignificant surplus on the financial account is compounded by a 1421.65% increase in the current account deficit. Import growth of 17.6% has been driven by higher oil prices and cannot be mitigated by worker remittances alone (even though they have exhibited impressive growth of 23.4% during 8MFY12). As a result the PKR has depreciated by 5.6% during the current fiscal and 0.8% during 1QCY12.

Recent news flow on the resolution of outstanding CSF payments amounting to USD 1.5bn could go some way towards reducing the burden of government borrowing on the domestic market while providing much needed support to FX reserves and the PKR.

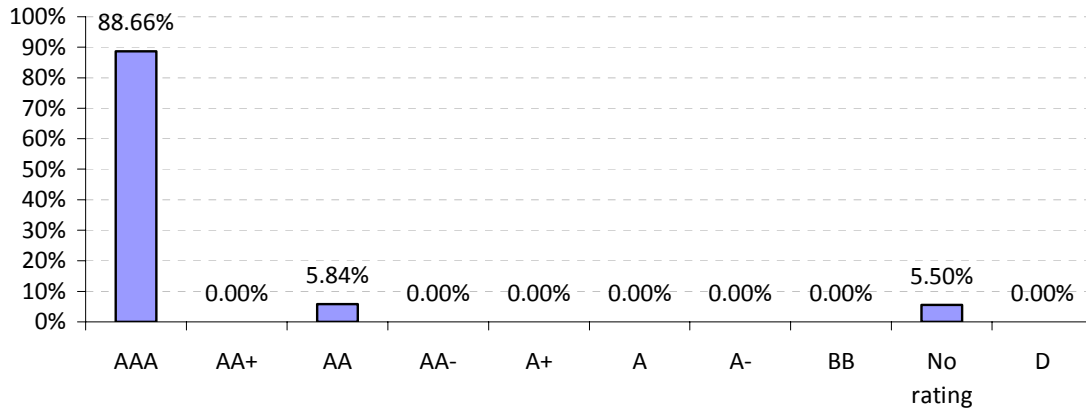
However we believe that the interest rate cycle has most likely bottomed out and a return to an IMF program in 2HCY12 could become the trigger for a resumption of monetary tightening.

**STRATEGY**

In light of the above macroeconomic scenario, BCSF's strategy is likely to focus on the following;

- Build exposure in high quality and liquid instruments keeping in mind an appropriate risk/reward ratio
- Continue to improve credit quality and liquidity profile
- Maintain duration on the lower side with yields potentially moving higher during 2HCY12

Credit Quality (31.03.12)

**Acknowledgement**

The Board is thankful to its valued investors, the Securities and Exchange Commission of Pakistan, the Trustees of the Fund, MCB Financial Services Limited and the Registrar, Technology Trade (Pvt) Limited. The Directors of the Management Company also acknowledge the efforts put in by the team of the Management Company for the meticulous management of the Fund.

**For and on behalf of the  
Board**

**Karachi  
April 27, 2012**

**Muddassar Malik  
Chief Executive Officer**

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT MARCH 31, 2012

	Note	March 31, 2012 -----Rupees----- (Un-Audited)	June 30, 2011 (Audited)
<b>ASSETS</b>			
Bank balances	5	6,816,637	55,263
Investments	6	290,813,880	105,202,489
Mark-up / interest receivable	7	6,766,793	12,659,316
Deposits, prepayments and other receivables		3,148,352	3,121,845
Preliminary expenses and floatation costs	8	396,837	1,149,435
<b>Total assets</b>		<b>307,942,499</b>	122,188,348
<b>LIABILITIES</b>			
Remuneration payable to Management company		423,982	139,840
Remuneration payable to Trustee		47,138	33,973
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)		79,372	142,958
Accrued expenses and other liabilities	9	1,916,748	2,719,083
<b>Total liabilities</b>		<b>2,467,240</b>	3,035,854
<b>CONTINGENCY</b>	10	-	-
<b>NET ASSETS</b>		<b>305,475,259</b>	119,152,494
<b>Unit Holders' Fund (As per statement attached)</b>		<b>305,475,259</b>	119,152,494
<b>Number of units in issue</b>		<b>40,544,789</b>	12,517,187
<b>Net asset value per unit - Rupees</b>		<b>7.53</b>	9.52

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

**For BMA Asset Management Company Limited  
(Management Company)**

**Muddassar Malik  
Chief Executive Officer**

**Tashfin I Huq  
Director**

CONDENSED INTERIM INCOME STATEMENT  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012  
(UN-AUDITED)

Note	Nine months ended		Quarter ended		
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	
----- Rupees -----					
<b>INCOME</b>					
Mark up / interest income on investments, bank balances and term deposits	11	8,265,889	13,712,015	6,443,466	914,134
<b>Net (loss) / gain on investments 'designated at fair value through profit and loss upon initial recognition'</b>					
(Loss) on sale of investments designated at fair value through Income statement – net Unrealised Gain / (Loss) on investments designated at fair value through profit and loss upon initial recognition		(29,097,882)	(42,184,069)	(4,975)	(24,830,119)
		10,468,150	(37,647,705)	6,162,214	(1,090,331)
		(18,629,732)	(79,831,774)	6,157,239	(25,920,450)
Reversal of Impairment against investment classified as held to maturity		20,500,000	-	7,250,000	-
(Provision) / Reversal of provision against non- performing asset - net		(13,434,200)	66,764,911	-	-
Element of (loss)/ income and capital (loss) / gains included in prices of units issued less those in units redeemed		(86,866,811)	7,295,727	(65,101,946)	4,062,342
Other Income		489,451	256,375	161,630	-
<b>Total (loss)/income</b>		(89,675,403)	8,197,254	(45,089,611)	(20,943,974)
<b>EXPENSES</b>					
Remuneration of the Management Company	12	1,587,446	2,448,114	750,119	493,198
Sales tax on management fee		253,163	-	120,019	-
Remuneration of the Trustee		293,864	364,281	115,172	98,630
Annual Fee – Securities and Exchange Commission of Pakistan		79,372	122,406	37,506	24,660
Custody and settlement charges		21,546	34,024	-	8,257
Brokerage		62,846	89,769	4,611	17,486
Auditors' remuneration		411,318	363,858	115,927	119,190
Amortisation of preliminary expenses and floatation costs		752,598	749,861	249,042	246,305
Legal and professional charges		530,000	-	-	-
Other expenses		287,155	270,693	60,894	54,864
<b>Total expenses</b>		4,279,308	4,443,006	1,453,290	1,062,590
<b>NET (LOSS)/ INCOME</b>		(93,954,711)	3,754,248	(46,542,901)	(22,006,563)
<b>Earnings per unit</b>	13	-	-	-	-

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

**For BMA Asset Management Company Limited  
(Management Company)**

**Muddassar Malik  
Chief Executive Officer**

**Tashfin I Huq  
Director**



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012  
(UNAUDITED)

	Nine months ended		Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	----- Rupees -----			
Net (loss) / income for the period	(93,954,711)	3,754,248	(46,542,901)	(22,006,563)
Other comprehensive income	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(93,954,711)</b>	<b>3,754,248</b>	<b>(46,542,901)</b>	<b>(22,006,563)</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

**For BMA Asset Management Company Limited  
(Management Company)**

**Muddassar Malik**  
Chief Executive Officer

**Tashfin I Huq**  
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012  
(UNAUDITED)

	Nine months ended		Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	----- Rupees -----			
<b>Undistributed (loss) / income brought forward</b>	<b>(5,916,986)</b>	17,584,232	<b>(53,328,796)</b>	5,361,568
Final distribution for the year ended 30 June 2011: Nil (2010: Final distribution at the rate of Rs. 1.12 per unit approved on 07 July 2010)	-	(37,983,475)	-	-
Net (loss)/ income for the period	<b>(93,954,711)</b>	3,754,248	<b>(46,542,901)</b>	(22,006,563)
<b>Undistributed (loss) carried forward</b>	<b><u>(99,871,697)</u></b>	<u>(16,644,995)</u>	<b><u>(99,871,697)</u></b>	<u>(16,644,995)</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

**For BMA Asset Management Company Limited  
(Management Company)**

**Muddassar Malik**  
Chief Executive Officer

**Tashfin I Huq**  
Director

CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE NINE MONTHS ENDED MARCH 31, 2012  
(UNAUDITED)

	<b>Nine months ended</b> <b>March 31, 2012</b> <b>March 31,</b> <b>2011</b>	
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period	(93,954,711)	3,754,248
<b>Adjustments for:</b>		
Mark up / interest income on investments, bank balances and term deposit	(8,265,889)	(13,712,015)
Unrealised (gain) / loss on Investments at fair value through Income statement	(10,468,150)	37,647,705
Loss on sale of investments held at fair value through Income statement - net	29,097,882	42,184,069
Reversal of provision against non-performing assets – net	(7,065,800)	(66,764,911)
Element of loss / (income) and capital loss / (gain) included in prices of units issued less those in units redeemed	86,866,811	(7,295,727)
Amortisation of preliminary expenses and floatation cost	752,598	749,861
Other Income	(489,451)	(256,375)
	(3,526,710)	(3,693,145)
<b>(Increase) / Decrease in assets</b>		
Deposit, prepayments and other receivables	(26,507)	9,766
	(26,507)	9,766
<b>Increase / (decrease) in liabilities</b>		
Remuneration payable to the Management company	284,142	(307,455)
Remuneration payable to the Trustee	13,165	(21,598)
Annual fee payable to Securities and Exchange Commission of Pakistan	(63,586)	(569,965)
Payable to unit holders against redemption of units	-	204,581
Accrued expenses and other liabilities	(802,335)	(960,997)
	(568,613)	(1,655,434)
Investments-net	(197,175,324)	191,272,703
Markup / interest income received	14,647,863	23,035,819
	(182,527,461)	214,308,522
<b>Net cash (used in) / generated from operating activities</b>	(186,649,291)	208,969,709
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	260,989,340	17,700,000
Payments for redemption of units	(67,578,675)	(259,418,850)
<b>Net cash generated from / (used in) financing activities</b>	193,410,665	(241,718,850)
Net increase / decrease in cash and cash equivalents during the period	6,761,374	(32,749,141)
Cash and cash equivalents at beginning of the period	55,263	34,457,434
<b>Cash and cash equivalents at the end of the period</b>	6,816,637	1,708,293

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

**For BMA Asset Management Company Limited  
(Management Company)**

**Muddassar Malik**  
Chief Executive Officer

**Tashfin I Huq**  
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND  
FOR THE NINE MONTHS ENDED MARCH 31, 2012  
(UNAUDITED)

	Nine Months ended	
	March 31, 2012	March 31, 2011
	<b>Rupees</b>	
Net assets at the beginning of the period	119,152,494	356,015,483
Cash received on issue of units*	260,989,340	17,700,000
Less: Cash paid / payable on redemption of units**	(67,578,675)	(259,418,850)
	193,410,665	(241,718,850)
	312,563,159	114,296,633
Element of Loss / (Income) and capital loss / (gain) included in prices of units issued less those in units redeemed	86,866,811	(7,295,727)
Net (loss) / income for the period	(93,954,711)	3,754,248
Other comprehensive income for the period	-	-
Total comprehensive (loss)/income for the period	(93,954,711)	3,754,248
<b>Net assets at the end of the period</b>	<b>305,475,259</b>	<b>110,755,154</b>
	<b>Number of units</b>	
*Number of units issued including bonus units	36,774,917	5,710,491
**Number of units redeemed	8,747,315	26,813,601

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

**For BMA Asset Management Company Limited  
(Management Company)**

**Muddassar Malik  
Chief Executive Officer**

**Tashfin I Huq  
Director**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012  
(UN-AUDITED)

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 BMA Chundrigar Road Savings Fund (the Fund) was established in Pakistan under a Trust Deed executed on April 19, 2007 between BMA Asset Management Company Limited, as the Management Company and MCB Financial Services Limited, as the Trustee and authorised under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) by Securities and Exchange Commission of Pakistan (SECP) on May 18, 2007.
- 1.2 The Management Company of the Fund has been licensed to act as an asset management company under the NBFC Rules by the SECP. The registered office of the Management company is situated at 801 Unitower, I.I. Chundrigar Road, Karachi.
- 1.3 The Fund is an open-ended fixed income aggressive mutual fund listed on the Karachi Stock Exchange (Guarantee) Limited. Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund except for the units issued to core investors which are not redeemable for a period of two years from the date of issue.
- 1.4 The Fund seeks to provide its investors attractive income with concern for preservation of capital by investing in all fixed income and money market instruments of low risk and short duration to generate attractive rates of returns.
- 1.5 Title to the assets of the Fund is held in the name of MCB Financial Services Limited as a trustee of the Fund.

**2. BASIS OF PREPARATION**

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard – 34 “Interim Financial Reporting” as applicable in Pakistan, the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and directives issued by SECP. In case where the requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2011.

**3. ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the financial statements of the fund for the year ended June 30, 2011.

**4. ESTIMATES**

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimating uncertainty are the same as those that applied to the financial statements as at and for the year ended June 30, 2011.

	Note	March 31, 2012 (Rupees) (Un-Audited)	June 30, 2011 (Rupees) (Audited)
<b>5. BANK BALANCES</b>			
Current accounts		1,390	5,721
PLS savings account	5.1	6,815,247	49,542
		<u>6,816,637</u>	<u>55,263</u>

5.1 Profit rates on savings accounts ranged from 4.89% to 11% per annum (June 30, 2011: 4.89% to 12.35%).

	Note	March 31, 2012 (Rupees) (Un-Audited)	June 30, 2011 (Rupees) (Audited)
<b>6. INVESTMENTS</b>			
<b>Designated at fair value through profit or loss upon initial recognition</b>			
- Listed term finance certificates	6.2	-	13,434,200
- Unlisted term finance certificates and sukus	6.3	16,274,919	91,768,289
- Government securities	6.4	264,538,961	-
		280,813,880	105,202,489
<b>Held to maturity</b>			
- Certificate of investment / Certificate of deposits	6.5	10,000,000	-
		<u>290,813,880</u>	<u>105,202,489</u>

6.1 Cost of investments amount to Rs. 340,169,829 (30 June 2011: Rs.163,154,873)

### 6.2 Listed term finance certificates

All term finance certificates have a face value of Rs.5,000 unless stated otherwise.

Name of Security	Note	As at July 01, 2011	Purchased during the period	Sold during the period	As at March 31, 2012	Carrying Value as at March 31, 2012 (Rupees)	Percentage of total investment on the basis of carrying value	Percentage of investment in relation to net assets of the fund
		------(Number of Certificates)-----						
<b>Quoted</b>								
<b>Banks</b>								
NIB Bank Limited (05-03-08)		-	2,000	2,000	-	-	-	-
<b>Miscellaneous</b>								
Pace Pakistan Limited (15-02-08) Provision against non-performing asset	6.2.1	4,000	-	-	4,000	13,434,200 (13,434,200)		
						-	-	-
<b>Total</b>						<u>-</u>	<u>-</u>	<u>-</u>

#### 6.2.1 Provision against non-performing debt securities

During the period Pace Pakistan Limited failed to fulfill its obligations of principal and interest payments on TFC issued on February 15, 2008 and was classified as non-performing by MUFAP. In accordance with SECP Circular No. 01 dated 06 January 2009 the interest payment due amounting to Rs. 1.17 million has been reversed and no further accruals have been booked against the security. Furthermore as this was the second default by Pace Pakistan Limited after initial restructuring the management in accordance with the provisioning policy approved by the board decided to fully provide against this security given the lack of price discovery, absence of liquidity and poor financial outlook.

### 6.3 Un-listed term finance certificates and sukuk

All term finance certificate and sukuk certificates have a face value of Rs.5,000 unless stated otherwise.

Name of Security	As at	Purchased	Sold	As at	Carrying	Percentage of	Percentage of
	July 01,	/ Issued	during	March			
	2011	during the	the	31, 2012	value	total investment	investment in
		period	period		as at	on the basis of	relation to net
					March	carrying value	assets of the
					31, 2012		Fund
					(Rupees)		
	----- (Number of Certificates) -----						
<b>Unquoted</b>							
<b>Cable &amp; electronics</b>							
New Allied Electronics (Private) Limited- term finance certificates (15-05-07)	10,000	-	-	10,000	21,472,757	-	-
New Allied Electronics (Private) Limited - Sukuk Issue (22-07-07)	16,000	-	-	16,000	4,721,001	-	-
Provision against New Allied Electronics (Private) Limited- Term Finance Certificates and sukuk Issue					(26,193,758)	-	-
<b>Cement</b>							
Maple Leaf Cement - Sukuk Issue (03-12-07)	19,000	-	19,000	-	-	-	-
Kohat Cement Limited - Sukuk Issue (20-12-07)	10,000	-	-	10,000	16,274,919	5.60%	5.33%
<b>Total</b>					<b>16,274,919</b>	<b>5.60%</b>	<b>5.33%</b>

### 6.4 Government securities

Type of Instrument	Issue date	Tenor (Months)	Face Value	(Quantity)					Fair Value as at March 31, 2012 (Rupees)	Percentage of total investment on the basis of carrying value	Percentage of investment in relation to net assets of the Fund
				As at July 01, 2011	Purchased during the period	Sold during the period	Matured during the period	As at March 31, 2012			
				T BILL	03-Nov-11	3	100	-			
T BILL	29-Dec-11	3	100	-	350,000	-	350,000	-	-	-	
T BILL	24-Feb-11	12	100	-	100,000	100,000	-	-	-	-	
T BILL	09-Feb-11	3	100	-	250,000	250,000	-	-	-	-	
T BILL	08-Sept-11	6	100	-	1,500,000	-	1,500,000	-	-	-	
T BILL	03-Nov-11	12	100	-	12,000	-	-	12,000	1,121,422	0.39%	0.37%
T BILL	12-Jan-12	3	100	-	100,000	-	-	100,000	9,986,964	3.43%	3.27%
T BILL	26-Jan-12	6	100	-	260,000	-	-	260,000	25,054,718	8.62%	8.20%
T BILL	03-Nov-11	12	100	-	109,000	-	-	109,000	10,186,866	3.50%	3.33%
T BILL	23-Feb-12	3	100	-	210,000	-	-	210,000	20,691,807	7.12%	6.77%
T BILL	26-Jan-12	3	100	-	50,000	-	-	50,000	4,971,094	1.71%	1.63%
T BILL	08-Mar-12	3	100	-	1,250,000	-	-	1,250,000	122,617,528	42.16%	40.14%
T BILL	06-Oct-11	6	100	-	200,000	-	-	200,000	19,973,838	6.87%	6.54%
T BILL	07-Apr-11	12	100	-	400,000	-	-	400,000	39,947,777	13.74%	13.08%
T BILL	06-Oct-11	6	100	-	100,000	-	-	100,000	9,986,947	3.43%	3.27%
<b>Total</b>								<b>264,538,961</b>	<b>90.97%</b>	<b>86.60%</b>	

	Note	March 31, 2012 (Rupees) (Un-Audited)	June 30, 2011 (Rupees) (Audited)
<b>6.5 Held to Maturity</b>			
<b>Certificate of Investment (COI)</b>			
First Dawood Investment Bank Limited		35,000,000	35,000,000
Payment received during the period		<u>(20,500,000)</u>	<u>-</u>
		14,500,000	35,000,000
Provision for impairment against investment classified as held to maturity	6.5.1	(14,500,000)	(35,000,000)
Pak Brunei Investment Co Ltd	6.5.2	10,000,000	-
		<u>10,000,000</u>	<u>-</u>

**6.5.1** First Dawood Investment Bank Limited (FDIBL) made a default in repayment of principal against COI amounting to Rs.35 million due on October 23, 2008. The Fund filed a suit for the recovery of the investment. The fund filed a suit and a decree was issued in favor of the Fund on May 07, 2010. FDIBL has appealed against the decree obtained by the Fund in the High Court of Sindh, Karachi, which is pending adjudication. The Fund's legal counsel on the merits of the case is confident that the Fund will recover its investment from FDIBL. However, on the basis of prudence the management has made a provision against the said investment.

**6.5.2** The fund has made an investment in COI issued by Pak Brunei Investment Company Limited at a yield of 11.93% per annum with maturity date of April 06, 2012.

**6.6** Details of Non-compliant investments with the investment criteria of assigned category and constitutive documents

Name of non-compliant investment	Type of investment	Value of Investment before provision	Provision held if any	Value of investment after provision	% of Net Assets	% of Gross Assets
			----- (Rupees) -----			
Nil						

	March 31, 2012 (Rupees) (Un-Audited)	June 30, 2011 (Rupees) (Audited)
<b>7. MARK-UP / INTEREST RECEIVABLE</b>		
On		
Saving Accounts	179,824	2,515
Term finance certificates and sukuk certificates	6,305,879	12,656,801
Certificate of Investment	<u>281,090</u>	<u>-</u>
	<u>6,766,793</u>	<u>12,659,316</u>
	March 31, 2012 (Rupees) (Un-Audited)	June 30, 2011 (Rupees) (Audited)
<b>8. PRELIMINARY EXPENSES AND FLOATATION COSTS</b>		
Preliminary expenses and floatation costs incurred	1,149,435	2,148,338
Less: Amortization during the period	<u>(752,598)</u>	<u>(998,903)</u>
	<u>396,837</u>	<u>1,149,435</u>



	March 31, 2012 (Rupees) (Un-Audited)	June 30, 2011 (Rupees) (Audited)
<b>9. ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration	264,822	310,000
Sales load payable	47,928	47,928
Preliminary expenses and floatation costs payable	1,000,000	2,000,000
Others	603,998	361,155
	<u>1,916,748</u>	<u>2,719,083</u>

**10. CONTINGENCY**

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it is alleged that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax period, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

During last year, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) vide its letter dated October 06, 2010 to its members for necessary action. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. However, the FBR vide its letter dated January 04, 2011 have cancelled its earlier letter dated October 06, 2010 ab initio and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by SHC on the basis of the pending constitutional petition in the said court as referred above.

During the current period, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC.

Hence, the Management Company believes that there is no need to make provision on account of WWF contribution in the condensed interim financial statements amounting in aggregate to Rs. 1.4 million. Further, the Management Company also expects that the constitutional petition pending in the SHC on the subject as referred above will be decided in favour of the mutual funds.

	Nine months ended		Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	-----Rupees-----			
	----- (Unaudited) -----			
<b>11. MARK-UP / INTEREST INCOME</b>				
<b>On:</b>				
- Saving accounts	2,288,669	3,353,404	642,197	240,735
- Investments				
Term Finance certificates and sukuk certificates	13,957,216	9,585,942	1,475,539	673,399
Certificate of Investment (COI)	281,090	-	281,090	-
Government securities	4,144,867	772,670	4,036,728	-
Letter of Placement (LOP)	9,004	-	7,912	-
Reversal of markup income on investments classified as non-performing	(12,414,957)	-	-	-
	<u>8,265,889</u>	<u>13,712,015</u>	<u>6,443,466</u>	<u>914,134</u>

**12. SALES TAX ON MANAGEMENT FEE**

During the current period, an amount of Rs. 253,163 (31 March 2011: Rs. Nil) was charged on account of sales tax on management fee levied through Sindh Sales Tax on Services Act, 2011.

**13. EARNINGS PER UNIT**

Earnings per unit (EPU) for the period has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

**14. TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the income earned by the year end by this Fund to the unit holders. Accordingly, no provision has been made in these condensed interim financial statements.

**15. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Level 1 : Quoted prices in active markets for identical assets or liabilities.  
 Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and  
 Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	March 31, 2012			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
<b>At fair value through profit or loss</b>				
- Government Securities	-	264,538,961	-	264,538,961
- Debt securities	-	16,274,919	-	16,274,919
	<u>-</u>	<u>280,813,880</u>	<u>-</u>	<u>280,813,880</u>
	June 30, 2011			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
<b>At fair value through profit or loss</b>				
- Debt securities	-	105,202,489	-	105,202,489
	<u>-</u>	<u>105,202,489</u>	<u>-</u>	<u>105,202,489</u>

The table below shows the reconciliation of all movements in the fair value of all financial instruments categorized within Level 3 between the beginning and end of the period / year.

March 31, 2012	At fair value through profit or loss upon initial recognition	Total
	-----Rupees-----	
<b>Opening Balance</b>	-	-
Transfers from Level 2 to Level 3	13,434,200	13,434,200
Provision for Impairment	(13,434,200)	(13,434,200)
<b>Closing Balance</b>	<u>-</u>	<u>-</u>

June 30, 2011	At fair value through profit or loss upon initial recognition	Total
	-----Rupees-----	
<b>Opening Balance</b>	84,287,918	<b>84,287,918</b>
Transfers from Level 3 to Level 2	(36,225,000)	<b>(36,225,000)</b>
Reversal of provision for impairment	(48,062,918)	<b>(48,062,918)</b>
<b>Closing Balance</b>	-	-

There have been no transfers to and from Level 1 during the period.

In accordance with Circular No. 1 of 2009 issued by SECP, all traded debt securities are valued on the basis of their volume weighted average price during the last 15 days while thinly traded and non traded debt securities are valued using a valuation methodology devised by MUFAP which use variables including yields on government securities, Karachi Inter Bank Offer Rates and credit ratings. As the valuation techniques use inputs from observable market data, these securities are classified as Level 2. Rates for non-performing securities, however, are not quoted by MUFAP and are valued using the provisioning criteria prescribed by the abovementioned circular and are hence classified as Level 3.

Therefore, default on installment amounts by investee company results in transfer into Level 3 while subsequent classification of a defaulting security as performing will result in transfer from Level 3 to Level 2.

#### 16. TRANSACTIONS WITH CONNECTED PERSON

Related parties / Connected persons include BMA Asset Management Company Limited (the Management Company) BMA Empress Cash Fund, BMA Capital Management (the holding company of the Management Company), BMA Financial Services Limited and MCB Financial Limited (the Trustee). Transactions with connected persons can be summarized as follows:

Nine months ended		Quarter ended	
March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
-----Rupees-----			
------(Unaudited)-----			

##### Transaction with connected person / related parties

##### **BMA Asset Management Company Limited (the Management Company)**

- Issue of units (nine months; 22,524,708 units) and  
(quarter; 17,644,534 units)

<b>156,534,000</b>	-	<b>126,534,000</b>	-
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- Redemption of units (Nil)

-	-	-	-
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##### **Directors and executives of the Management Company**

- Issue of Units (nine months; 354,143 units)  
and (quarter; 309,458 units)

<b>2,524,235</b>	47,644	<b>2,249,743</b>	-
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- Redemption of Units (nine months;  
199,426 units) and (quarter; 172,477 units)

<b>1,444,251</b>	110,809	<b>1,278,046</b>	-
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##### **Unit holders with holding of 10% and above**

##### **MCB Bank Limited Staff Provident Fund**

- Issue of units (nil for Nine months ) and (nil  
for quarter)

-	4,416,407	-	-
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- Redemption of units (Nil)

-	-	-	-
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**BMA Asset Management Company Limited  
(the Management Company)**

 Remuneration to the Management Company 1,587,446 2,448,114 750,119 493,198
**MCB Financial Services Limited –The Trustee**

 Trustee Fee 293,864 364,281 115,172 98,630
**Al Abbas Sugar Mills Ltd- (Common Directorship)**

 TFC Income - 1,473,573 - -

 Redemption in TFCs - - - -

	March 31, 2012	June 30, 2011	March 31, 2012	June 30, 2011
	-----Units-----	-----	-----Rupees-----	-----
	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)

**Units Held by:**

- Directors and executives of the Management Company	<u>155,061</u>	<u>34,391</u>	<u>1,168,276</u>	<u>307,194</u>
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**Units holders with holding of 10% and above**

- BMA Asset Management Company Ltd	<u>22,524,408</u>	<u>-</u>	<u>169,705,647</u>	<u>-</u>
- MCB Bank Limited Staff Provident Fund	<u>4,406,382</u>	<u>4,406,382</u>	<u>33,199,004</u>	<u>39,359,525</u>

**Balances with connected persons / related parties**

<b>MCB Financial Services Limited-the Trustee</b>				
- Remuneration payable to Trustee			<u>47,138</u>	<u>33,973</u>

**BMA Asset Management Company Limited**

- Remuneration payable to Management company			<u>423,982</u>	<u>139,840</u>
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- Preliminary expenses and floatation costs due to Management Company			<u>1,000,000</u>	<u>2,000,000</u>
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**17. DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on April 27, 2012.

**18. GENERAL**

18.1 Figures have been rounded off to the nearest rupee.

**For BMA Asset Management Company Limited  
(Management Company)**

**Muddassar Malik  
Chief Executive Officer**

**Tashfin I Huq  
Director**